

## **H.B. 6466 – Homestead and motor vehicle exemptions**

### **Testimony of Raphael L. Podolsky**

Judiciary Committee public hearing – March 3, 2021

<u>Recommended Committee action:</u> <b>APPROVAL OF THE BILL</b>
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This bill increases the homestead exemption to \$250,000 and the motor vehicle exemption to \$7,000 and adds an exemption for the cash surrender value of a life insurance policy.

A homestead exemption protects the equity in one's home against judgment creditors (it does not protect it against lenders with a mortgage). The National Consumer Law Center's nationwide examination of state exemptions gives Connecticut a "D" because its homestead exemptions protects less than 50% of the median price of a home in the state. Such states as Massachusetts (\$500,000), Minnesota (\$420,000), and Montana (\$250,000) protect at least the median home value, and such states as Vermont, Maine, Arizona, and Ohio protect more than \$75,000. Florida, Iowa, Arkansas, and four other states have no cap at all. Indeed, 21 states have homestead exemptions greater than \$75,000. It is time for this exempt amount to be raised.

Connecticut's \$3,500 motor vehicle exemption is similarly out of date and inadequate. Connecticut gets a "D" from NCLC for this exemption as well. Thirty-seven states have motor vehicle exemptions that are larger in amount. As to this exemption, Connecticut is even farther out of line. We urge the Committee to approve the bill.

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